



State of Arizona Accounting Manual

Topic 05 Internal Controls

Issued 07/15/19

Section 26 Internal Control Self-Assessment Surveys

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INTRODUCTION

Agency management is responsible for establishing and maintaining an effective system of internal controls. Internal controls can provide reasonable, but not absolute, assurance that an agency's objectives—including the prevention or detection of fraud, waste and abuse—will be met.

Control self-assessment is a technique used by an organization to evaluate the effectiveness of its risk management and control processes. An important component in control self-assessment is the documentation of an organization's control environment and control processes. Evaluation of the findings of a control self-assessment may lead to improved internal controls, i.e., controls that reduce the risk of loss due to fraud, waste, abuse and error. Importantly, the reduction of errors that results from improved controls supports fairness of financial reporting, which in turn provides more reliable management information.

In support of the State's control-self assessment efforts, the General Accounting Office (GAO) posts Internal Control Self-Assessment Surveys (ICSASs) on its website. The surveys, instructions, and links can be found under the Resources tab.

The purpose of an ICSAS is to provide—to the agency and to the GAO—an understanding of an agency's internal control structures. Survey responses can be used to identify aspects of an agency's internal control environment that could benefit from strengthening and to suggest internal control improvements that should be considered.

POLICY & PROCEDURES

1. Agencies must respond as accurately and completely as practicable to ICSASs.
2. ICSASs covering areas of interest for a given fiscal year will be posted to the GAO Website at <https://gao.az.gov/resources/internal-control-self-assessment-surveys> during the first quarter of that fiscal year.
3. Unless otherwise provided in the ICSAS itself, completed responses to an ICSAS posted for a fiscal year must be completed and submitted to the GAO no later than the close of business of the last business day of the month ending April 30. Earlier responses will be appreciated.
4. Matters involving fraud should be immediately verbally communicated to the GAO, the Office of the Attorney General and the Office of the Auditor General before or instead of being included in an ICSAS response.

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5. Matters of a confidential or sensitive nature or involving significant risk to the State of Arizona should be immediately verbally communicated to the GAO before or instead of being included in an ICSAS response.